



EXAMPLE TEMPLATE

SELLER: McCoy Homes
17172 214th st.
Davenport, IA 52806

BUYER (S):
Address/City/State/Zip:
Phone:
Email:

Property:
Model selected: Custom
Estimated Closing Date:

WITNESSETH:

1. The buyer agrees to buy, and the contractor agrees to construct and sell to the Buyer, for the consideration of the total purchase price of dollars (\$ _____). The residence is known as _____ Plan and will be constructed by contractor on LOT _____. Subject to additions and deductions by change orders as provided below, a single family residence as required by the contract documents on premise located at _____

Legally described as: _____

In accordance with the plans specifications attached hereto and identified below, such construction plans, site plans, or specifications sheets, being identified below by the signatures and initials of the parties to this contract: Specs Dated _____ attached as Exhibit "A".

Contractor

Dated: _____

Buyer

Dated: _____

Buyer

Dated: _____



Purchase price includes cost of lot; lot is being provided by Contractor and title will be conveyed at closing. Construction financing is provided by Contractor. Buyer shall arrange his own purchase mortgage, if required.

2. PAYMENT OF THE PURCHASE PRICE. Buyer shall pay to the Contractor a NONREFUNDABLE deposit, in the sum of _____ Dollars. (\$ _____)

Upon execution of this contract and an additional deposit, in the sum of _____ Dollars (\$ _____)

upon completion of _____

The balance shall be payable in full upon closing.

3. LIMITED WARRANTY. Contractor warrants that the residence on the premises will be completed in a good and workmanlike manner in accordance with Contractor's plans and specifications attached hereto and in compliance with prevailing building codes and zoning ordinances. Contractor's Warranty is a limited warranty for a period of one (1) year from the date of closing. This warranty is limited to the workmanship and materials supplied by the contractor, excluding the manufactures' products or workmanship as covered by their warranties. Contractor agrees to deliver to Buyer all manufacturers' warranties of products. In consideration of the Limited Warranty contained herein, the Buyer agrees and acknowledges that such warranty replaces all other warranties either expressed or implied.

Contractor's warranty is limited to repair or replacement of a defective item without cost to the BUYER. BUYER waives all claims to incidental or inconsequential damages such as, but not limited to, minor concrete and drywall cracks, nail pops and grouting cracks. As said guarantee applies to mechanical, it shall be limited to the terms and conditions' warranty. Also, specifically excluded are vinyl floors marks causes by normal traffic.

This warranty extends only to the Buyer and not to subsequent purchasers of the residence. BUYER must give written notice of a defect to Contractor within one (1) year warranty period.

In the event of any dispute between Buyer and Contractor, such dispute shall be resolved by arbitration in accordance with the arbitration clause as set forth in Paragraph 15 of this contract. This warranty does not apply to the inconsequential cracks in foundations, walls and ceilings or to nail pops not resulting from faulty workmanship or defective materials, but are the result of natural shrinkage and drying out of building materials, or of normal settlement of the building or the normal movement of the building components.

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This warranty likewise does not apply to damages caused by ordinary wear & tear, misuse, improper maintenance, or as a result of alterations by the Buyer.

Contractor and Buyer agree to a pre-occupancy inspection prior to closing. Contractor will not be responsible for chips, scratches or mars on the plumbing fixtures, appliances, cabinets or counter-tops, woodwork and walls unless noted on the pre-occupancy inspection report to be prepared and signed by the parties or verified in writing prior to closing.

(In the event Contractor provides a homeowner insurance warranty plan, this Limited Warranty shall be subject terms and conditions of the homeowners insurance warranty plan, a copy of which is incorporated herein by reference and attached hereto).

4. DISCLAIMERS AND WAIVERS.

A. RADON. Radon is a naturally occurring gas that is caused by the radioactive decay of the element radium. This notice serves to advise you, the Buyer, that above average levels of radon gas may accumulate in any home regardless of the type of home or who builds it.

Contractor believes it is prudent and in your best interest to install a sub-slab ventilation “prep” package during construction, where it would be cost prohibitive to install afterwards. Contractor has made no investigation to determine whether there is radon gas or other environmental pollutants in the home affecting the premises. Contractor makes no representation to any level of radon on the premises after sub-slab ventilation is installed. An implied warranty of habitability or any implies warranty of fitness for a particular use, are hereby waived and disclaimed.

B. MOLD. Buyer acknowledges that whether or not Buyer as a homeowner experiences mold growth depends largely on how he manages and maintains his home. Contractor’s responsibility will repair or replace defects in its construction (defects defined as a failure to comply with reasonable standards of residential construction) for a period of one (1) YEAR. Contractor will not be responsible for any damages caused by mold, or by some other agent, that may be associated with defects in its construction, to include but not to be limited to property damage, personal injury, loss of income, emotional distress, death, loss of use, loss of value, and adverse health effects, or any other effects.

Initials _____

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Initials _____



Any implied warranties, including any implied warranty of workmanlike construction, an implied warranty of habitability, or any implied warranty of fitness for a particular use, are hereby waived and disclaimed.

C. SCALING. To facilitate Buyer's enjoyment of residence, Contractor strongly recommends NOT using salt or deicers containing ammonium sulfate or ammonium nitrate to de-ice concrete. Salt and deicer products can damage concrete (new and old) and aggravate freeze/thaw conditions. Salt and deicers attract water and keep the concrete in a saturated state. The condition of the freezing/thawing cycle of moisture may cause cracking, pitting, scaling, etc., of concrete. Although concrete is a low maintenance product, it is not a no maintenance product. Therefore, Contractor highly recommends sealing the exterior concrete. Contractor suggests that Buyer seal clean, dry concrete in the late fall, and each following year, similar to painting or staining wood. It is best to keep heavy vehicles, such as moving vans, etc., off of curing concrete. Disintegration caused by salt and/or chemical use is not the Contractor's responsibility.

D. LANDSCAPE AND SOD. Buyer is responsible for maintaining sod and landscape once installation is complete and in thereafter. Sod is nonrefundable and not eligible for warranty. Contractor does not warrant in any manner or form any erosion or soil settling caused by natural conditions (rain, snow, freeze/thaw cycles) after closing. Each home site is unique and therefore must be graded differently than any other to ensure proper drainage.

5. CHANGE ORDERS. Any modifications of plans and specifications all be made by written agreement of the parties specifying any additions to or reductions in the purchase price and/or change in delivery date. A 20% fee will be added to all change orders, including upgrades, which may lead to a later date of completion.

Change orders may affect other stages of building and may be subject to unexpected additional costs not included in original change order.

6. ALLOWANCES. In the event costs incurred by Contractor exceed specified allowance as provided in the specifications, Buyer shall be responsible for payment of such additional sum at the time of closing. In the event cost incurred by Contractor are less than the specified allowance as provided in the specification, the Buyer shall receive a credit for said differences at time of closing.

7. CONTRACTOR hereby provides the following warranties, with respect to the property, which is the subject matter of this contract:

Initials _____ Initials _____ Initials _____



A) That the total encumbrances against the premises shall not, at any time, exceed the balance due from the Buyer to Contractor

B) Contractor will have free and clear title to all the personal property to which reference is made in Paragraph 1, and all of said property, together with all appliances and mechanical systems to be built in the premises will be free from security interests or lien of any real estate mortgage.

C) Buyer shall pay Contractor for any extra work prior to said work being commenced. Buyer understands and authorizes Contractor to make changes to as required due to characteristics such as but not limited to topography of the lot and surrounding lots, grading, placement of the home on the lot and the placement and style of surround homes. The design shall be at the sole discretion of the Contractor.

8. MECHANICS LIEN. Contractor warrants payment of all subcontractors and material, and covenants to convey title to Buyer free and clear of all claims for mechanics liens.

9. ADDITIONAL PROVISIONS. The following provisions shall form a part of this contract unless deleted by mutual agreement of the parties hereto:

A) It is mutually agreed by and between the parties hereto, that the covenants and agreements herein contained shall extend to and be obligatory upon the heirs, executors, administrators and assigns of the respective parties and that time is the essence of this contract

B) This agreement is subject to the Buyer obtaining a mortgage loan commitment. The loan commitment, if required, shall be in the amount of \$_____ and shall be obtained and a copy delivered to Contractor within _____ days after signing of this contract.

C) This agreement supersedes all previous understandings and agreements, if any, and constitutes the entire Agreement between the parties; no oral representations or statements shall be deemed to be a part thereof.

10. ENTIRE AGREEMENT- NO ORAL CHANGES: the purchase agreement constitutes the entire agreement between the parties as to the subject matter hereof and supersedes all prior understandings and agreements. No representations, warranties, undertakings or promises, whether oral, implied or otherwise, made by either Contractor or Buyer to the other, shall be of any force or effect unless expressly states herein or unless mutually agreed to in writing signed by both Contractor and Buyer. All amendments and supplements hereto, if any, shall be in writing executed by both the Contractor and Buyer.

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10. COMPLETION AND CLOSING. Contractor shall complete construction approximately _____ days from excavation, or written authorization to commence construction, subject to strike, Acts of God or other conditions beyond the control of the Contractor. Closing shall occur within 30 days of completion of the construction and issuance of the occupancy permit, but prior to occupancy of Buyer. Neither the Contractor, nor its agents, representatives or subcontractors shall be bound for having said work done by a specific date. At closing, Buyer agrees to sign a reaffirmation that they have read and understand these provisions of the contract. The buyer shall pay to Contractor a \$500.00 penalty fee plus an additional \$62.50 penalty fee per day of delay representing additional holding costs of seller.

11. POSSESSION: Contractor shall have sole control and exclusive possession of the property until completion of the improvements and payment of all monies due to Contractor. Physical possession shall be tendered to Buyer at closing. Buyer shall not enter the premises prior to closing, except at such times and in such matter as may be approved by Contractor in writing before such entry. If Buyer shall enter the premises prior to closing, with or without such approval, it is understood that he does so at his own risk, waives any claim for injury or damage caused by such entrance and Buyer hereby agrees to indemnify and hold

Contractor, its employees and its agents harmless from any and all claims for injury or damage to Buyer's person or property, and to the person or property of an agent or employee of Buyer or any person accompanying Buyer.

12. An escrow fund will be established according to the specifications of the lender, or agreement of the parties if no lender, for uncompleted, contracted work, if and, with the escrow agreement to be prepared and signed at closing.

Upon completion of the work, separately itemized with approval of the parties, escrowee shall be authorized to release the appropriate amount for completion of each item specified.

13. BUYER, at his option, may obtain a survey at his expense to establish compliance of Contractor with building setback lines to show no building encroachments and to show the location of the improvements on the premises.

14. OCCUPANCY PERMIT. Contractor shall furnish at or prior to closing, occupancy permit from the appropriate City or County Agency. Buyer shall convert all utilities to Buyer's name on next business day following closing.

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15. INSURANCE. Contractor shall carry adequate workman's compensation and liability insurance and shall carry builder's risk insurance to protect the interest of the CONTRACTOR and the BUYER until the residence is completed.

16. DESTRUCTION OR DAMAGE OF BUILDING: If, prior to closing, the property shall be destroyed or materially damaged by fire, or other casualty, this Agreement shall, be null and void and the earnest money shall be refunded to Buyer. Contractor's liability in such event shall be limited to the return of Buyer's deposits. For purposes of the paragraph, material damage is defined as any even incurring damages costing more than \$25,000 to repair.

16. ARBITRATION. Any controversy that arises between the parties that cannot be settled through good faith negotiation relating to the construction of the residence or any other matter arising out of the terms of this contract, shall be settled by arbitration. Each party shall select one arbitrator, and the two arbitrators shall select a third arbitrator. The agreement and decision of any two arbitrators shall be binding on all parties without recourse to any court. The cost incurred and fees of the arbitrators shall be assessed between the parties as determined by the arbitrators.

A hearing shall be conducted pursuant to the Rules of the American Arbitration Association with regard to Construction Industry Arbitration Rules. No party or relative of a party or officer, partner or employee of the parties shall serve as an arbitrator.

17. All costs of obtaining mortgage financing shall be the responsibility of BUYER. In the event mortgage commitment cannot be obtained, BUYER may be entitled to refund of down payment, led actual expenses incurred by CONTRACTOR on BUYER'S behalf.

18. Attorney Fees: In the Event Buyer is in default under the terms of this contract, contractor shall be entitled to recover Attorney fees and costs from Buyer.

Initials _____ Initials _____ Initials _____



19. Contractor is being represented by _____ with _____ and the Buyer is being represented by _____.

20. FINISHES/SELECTIONS: Buyer and Contractor agree that time is of the essence in selection of colors, finish materials and selections for Home. Because of the extended lead times and order deadlines for many products the following selections must be made by the dates below:

- a) STRUCTURAL SELECTIONS
- b) EXTERIOR SELECTIONS
- c) INTERIOR SELECTIONS

21. Contractor does not warranty Buyer supplied items or materials and Buyer will be responsible for any labor, materials or accessory warranty work to said materials and associated items.

19. Any materials provided by buyer becomes property of McCoy homes but not limited to lights, outlets, appliances, ETC.

20. If the Buyer chooses to use a subcontractor or vendor outside of the sources recommended by McCoy homes, additional administrative charges and scheduling delays may occur. This could also lead to a later date of project completion.

Initials_____

Initials_____

Initials_____



NOTICE TO PARTIES:

By signing of this contract, you are entering into a binding legal agreement in order to protect your interests in connection with the contractual aspects of this transaction; you have the right to consult legal counsel before this Agreement is signed.

Any representation upon which you rely should be included in this agreement. No oral representation will be binding upon or any obligation of the Contractor or Buyer.

Contractor

Dated: _____

Buyer

Dated: _____

Buyer

Dated: _____

Initials _____

Initials _____

Initials _____

Exhibit A:

Exhibit B:

Exhibit C:

Exhibit D: